

Senate File 379

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1 3 AN ACT
1 4 RELATING TO CERTAIN AGRICULTURAL LIENS.
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1 6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
1 7
1 8 DIVISION I
1 9 AGRICULTURAL SUPPLY DEALERS LIEN
1 10 Section 1. Section 570A.1, Code 2003, is amended by adding
1 11 the following new subsections:
1 12 NEW SUBSECTION. 2A. "Agricultural supply" means an
1 13 agricultural chemical, seed, feed, or a petroleum product that
1 14 is used for an agricultural purpose.
1 15 NEW SUBSECTION. 3A. "Agricultural supply dealer lien" or
1 16 "lien" means the agricultural supply dealer lien created in
1 17 section 570A.3.
1 18 Sec. 2. Section 570A.1, subsections 3, 4, 11, and 12, Code
1 19 2003, are amended to read as follows:
1 20 3. "Agricultural supply dealer" or "dealer" means a person
1 21 engaged in the retail sale of agricultural chemicals, seed,
1 22 feed, or petroleum products used for an agricultural purpose.
1 23 4. "Certified request" means a request delivered by
1 24 certified mail or registered or certified mail, or a request
1 25 delivered in person if in writing and signed and dated by the
1 26 respective parties, or in the manner provided by the Iowa
1 27 rules of civil procedure for the personal service of original
1 28 notice.
1 29 11. "Livestock" means cattle, sheep, swine, an animal
1 30 belonging to the bovine, caprine, equine, ovine, or porcine
1 31 species, ostriches, rheas, emus, poultry, or other animals or
1 32 owl, fish or shellfish.
1 33 12. "Petroleum product" means a motor fuel or special fuel
1 34 which is used in the production of crops and or livestock,
1 35 including but not limited to motor fuel as defined in section
2 1 452A.2.
2 2 Sec. 3. Section 570A.2, subsection 1, Code 2003, is
2 3 amended to read as follows:
2 4 1. Upon the receipt of a certified request of an
2 5 agricultural supply dealer, prior to or upon a sale on a
2 6 credit basis of agricultural chemicals, seed, feed, or
2 7 petroleum products an agricultural supply to a farmer, a
2 8 financial institution which has either a security interest in
2 9 collateral owned by the farmer or an outstanding loan to the
2 10 farmer for an agricultural purpose shall issue within four
2 11 business days a memorandum which states whether or not the
2 12 farmer has a sufficient net worth or line of credit to assure
2 13 payment of the purchase price on the terms of the sale. The
2 14 certified request submitted by the agricultural supply dealer
2 15 shall state the amount of the purchase and the terms of sale
2 16 and shall be accompanied by a waiver of confidentiality signed
2 17 by the farmer, and a fifteen dollar fee. The waiver of
2 18 confidentiality and the certified request may be combined and
2 19 submitted as one document. If the financial institution
2 20 states in its memorandum that the farmer has a sufficient net
2 21 worth or line of credit to assure payment of the purchase
2 22 price, the memorandum is an irrevocable and unconditional
2 23 letter of credit to the benefit of the agricultural supply
2 24 dealer for a period of thirty days following the date on which
2 25 the final payment is due for the amount of the purchase price
2 26 which remains unpaid. If the financial institution does not
2 27 state in its memorandum that the farmer has a sufficient net
2 28 worth or line of credit to assure payment of the purchase
2 29 price, the financial institution shall transmit the relevant
2 30 financial history which it holds on the person. This
2 31 financial history shall remain confidential between the
2 32 financial institution, the agricultural supply dealer, and the
2 33 farmer.
2 34 Sec. 4. Section 570A.3, Code 2003, is amended to read as
2 35 follows:
3 1 570A.3 LIEN CREATED.
3 2 1. An agricultural supply dealer furnishing who provides
3 3 an agricultural chemical, seed, or a petroleum product supply
3 4 to a farmer has a lien shall have an agricultural lien as
3 5 provided in section 554.9102. The agricultural supply dealer

3 6 is a secured party and the farmer is a debtor for purposes of
3 7 chapter 554, article 9. The amount of the lien shall be the
3 8 amount owed to the agricultural supply dealer for the retail
3 9 cost of the agricultural ~~chemical, seed, or petroleum product~~
3 10 ~~supply~~, including labor ~~furnished provided~~. The lien ~~attaches~~
3 11 ~~applies~~ to all ~~crops of the following:~~
3 12 1. Crops which are produced upon the land to which the
3 13 agricultural chemical was applied, ~~or produced from the seed~~
3 14 ~~furnished provided~~, or produced using the petroleum product
3 15 ~~furnished, for a period of sixteen months following the date~~
3 16 ~~of perfection of the lien pursuant to section 570A.4.~~
3 17 ~~However, the lien does not attach to that portion of the crops~~
3 18 ~~of a farmer who has paid all amounts due from the farmer for~~
3 19 ~~the retail cost, including labor, of provided. The lien shall~~
3 20 ~~not apply to any crops so produced upon the land after four~~
3 21 ~~hundred ninety days from the date that the farmer purchased~~
3 22 ~~the agricultural chemical, seed, or petroleum product provided~~
3 23 ~~supply.~~
3 24 2. An agricultural supply dealer furnishing feed to a
3 25 ~~farmer has a lien for the unpaid amount of the retail cost of~~
3 26 ~~the feed, including labor. The lien attaches to all livestock~~
3 27 ~~livestock consuming the feed. However, the lien does not~~
3 28 ~~attach apply~~ to that portion of the livestock of a farmer who
3 29 has paid all amounts due from the farmer for the retail cost,
3 30 including labor, of the feed.
3 31 Sec. 5. Section 570A.4, Code 2003, is amended by striking
3 32 the section and inserting in lieu thereof the following:
3 33 570A.4 PERFECTING THE LIEN == FILING REQUIREMENTS.
3 34 Except as provided in this section, a financing statement
3 35 filed to perfect an agricultural supply dealer lien shall be
4 1 governed by chapter 554, article 9, part 5, in the same manner
4 2 as any other financing statement.
4 3 1. The lien becomes effective at the time that the farmer
4 4 purchases the agricultural supply.
4 5 2. In order to perfect the lien, the agricultural supply
4 6 dealer must file a financing statement in the office of the
4 7 secretary of state as provided in section 554.9308 within
4 8 thirty-one days after the date that the farmer purchases the
4 9 agricultural supply. The financing statement shall meet the
4 10 requirements of section 554.9502, subsection 1, and include
4 11 all applicable information described in section 554.9516.
4 12 Filing a financing statement as provided in this subsection
4 13 satisfies all requirements for perfection of an agricultural
4 14 lien as provided in chapter 554, article 9.
4 15 Sec. 6. Section 570A.5, Code 2003, is amended to read as
4 16 follows:
4 17 570A.5 PRIORITY OF LIEN.
4 18 1. ~~Except as provided in this section, an agricultural~~
4 19 ~~supply dealer's lien that is effective or perfected under this~~
4 20 ~~chapter is superior to a lien or security interest which~~
4 21 ~~attaches subsequent to the time the lien statement is filed~~
4 22 ~~with the secretary of state, except liens which arise under~~
4 23 ~~this chapter or under chapters 570 and 571 as provided in~~
4 24 ~~section 570A.4 shall be subject to the rules of priority as~~
4 25 ~~provided in section 554.9322. For an agricultural supply~~
4 26 ~~dealer's lien that is perfected under section 570A.4, all of~~
4 27 ~~the following shall apply:~~
4 28 2- 1. ~~A The lien shall have priority over a lien perfected~~
4 29 ~~under this chapter is equal to a lien or security interest~~
4 30 ~~which is of record or which is perfected prior to the time the~~
4 31 ~~lien statement is filed with the secretary of state except as~~
4 32 ~~provided in section 570A.2, subsection 3 that applies~~
4 33 ~~subsequent to the time that the agricultural supply dealer's~~
4 34 ~~lien is perfected.~~
4 35 3- 2. ~~A Except as provided in section 570A.2, subsection~~
5 1 ~~3, the lien perfected under this chapter for the purposes of~~
5 2 ~~feed will continue to be perfected in the livestock and takes~~
5 3 ~~shall have equal priority to a lien or security interest which~~
5 4 ~~is perfected prior to the time that the agricultural supply~~
5 5 ~~dealer's lien is perfected. However, a landlord's lien that~~
5 6 ~~is perfected pursuant to section 570.1 shall have priority~~
5 7 ~~over a conflicting agricultural supply dealer's lien as~~
5 8 ~~provided in section 570.1, and a harvester's lien that is~~
5 9 ~~perfected pursuant to section 571.3 shall have priority over a~~
5 10 ~~conflicting agricultural supply dealer's lien as provided in~~
5 11 ~~section 571.3A.~~
5 12 3. A lien in livestock feed shall have priority over an
5 13 earlier perfected lien or security interest to the extent of
5 14 the difference between the acquisition price of the livestock
5 15 and the fair market value of the livestock at the time the
5 16 lien attaches or the sale price of the livestock, whichever is

5 17 greater.
5 18 Sec. 7. Section 570A.6, Code 2003, is amended by striking
5 19 the section and inserting in lieu thereof the following:
5 20 570A.6 ENFORCEMENT OF LIEN.
5 21 An agricultural supply dealer may enforce an agricultural
5 22 supply dealer's lien in the manner provided for agricultural
5 23 liens pursuant to chapter 554, article 9, part 6.
5 24 Sec. 8. Sections 570A.7 through 570A.11, Code 2003, are
5 25 repealed.

5 26 DIVISION II
5 27 HARVESTER'S LIEN

5 28 Sec. 9. NEW SECTION. 571.1A DEFINITIONS.
5 29 As used in this chapter, unless the context otherwise
5 30 requires:
5 31 1. "Crop" includes but is not limited to corn, soybeans,
5 32 hay, straw, and crops produced on trees, vines, or bushes.
5 33 2. "Harvester" means a person who performs harvesting
5 34 services.
5 35 3. "Harvesting services" means baling, chopping,
6 1 combining, cutting, husking, picking, shelling, stacking,
6 2 threshing, or winnowing a crop, regardless of the means or
6 3 method employed.
6 4 4. "Harvester's lien" or "lien" means the harvester's lien
6 5 created in section 571.1B.
6 6 Sec. 10. NEW SECTION. 571.1B LIEN CREATED.
6 7 A harvester shall have an agricultural lien as provided in
6 8 section 554.9102 for the reasonable value of harvesting
6 9 services. The harvester is a secured party and the person for
6 10 whom the harvester renders such harvesting services is a
6 11 debtor for purposes of chapter 554, article 9. The lien
6 12 applies to crops harvested by the harvester.
6 13 Sec. 11. Section 571.3, Code 2003, is amended by striking
6 14 the section and inserting in lieu thereof the following:
6 15 571.3 PERFECTING THE LIEN == FILING REQUIREMENTS.
6 16 Except as provided in this section, a financing statement
6 17 filed to perfect a harvester's lien shall be governed by
6 18 chapter 554, article 9, part 5, in the same manner as any
6 19 other financing statement.

6 20 1. The lien becomes effective at the time that the
6 21 harvesting services provided under section 571.1B are
6 22 rendered.
6 23 2. In order to perfect the lien, the harvester must file a
6 24 financing statement in the office of the secretary of state as
6 25 provided in section 554.9308 within ten days after the last
6 26 date that the harvesting services were rendered. The
6 27 financing statement shall meet the requirements of section
6 28 554.9502, subsection 1, and include all applicable information
6 29 described in section 554.9516. Filing a financing statement
6 30 as provided in this subsection satisfies all requirements for
6 31 perfection of an agricultural lien as provided in chapter 554,
6 32 article 9.

6 33 Sec. 12. NEW SECTION. 571.3A PRIORITY OF LIEN.
6 34 Except as provided in this section, section 554.9322 shall
6 35 govern the priority of a harvester's lien that is effective or

7 1 perfected as provided in section 571.3.
7 2 1. A harvester's lien that is effective but not perfected
7 3 under section 571.3 shall have priority as provided in section
7 4 554.9322.

7 5 2. A harvester's lien that is perfected under section
7 6 571.3 shall have priority over a conflicting security interest
7 7 in harvested crops regardless of when such security interest
7 8 is perfected. A perfected harvester's lien shall have
7 9 priority over a conflicting landlord's lien as provided in
7 10 chapter 570, regardless of when such landlord's lien is
7 11 perfected.

7 12 Sec. 13. Section 571.5, Code 2003, is amended to read as
7 13 follows:

7 14 571.5 ENFORCEMENT OF LIEN.

7 15 A ~~harvester may enforce a harvester's lien as provided in~~
7 16 ~~this chapter may be enforced~~ in the manner provided for
7 17 agricultural liens pursuant to the uniform commercial code,
7 18 chapter 554, article 9, part 6.

7 19 Sec. 14. Sections 571.1, 571.2, 571.4, and 571.6, Code
7 20 2003, are repealed.

7 21 DIVISION III
7 22 VETERINARIAN'S LIEN

7 23 Sec. 15. NEW SECTION. 581.1A DEFINITIONS.
7 24 As used in this chapter, unless the context otherwise
7 25 requires:

7 26 1. "Livestock" means an animal belonging to the bovine,
7 27 caprine, equine, ovine, or porcine species, ostriches, rheas,

7 28 emus, poultry, or fish or shellfish.
7 29 2. "Veterinarian" means a person who practices veterinary
7 30 medicine under a valid license or temporary permit as provided
7 31 in chapter 169.
7 32 3. "Veterinarian's lien" or "lien" means a veterinarian's
7 33 lien created under section 581.2A.
7 34 Sec. 16. Section 581.2, Code 2003, is amended by striking
7 35 the section and inserting in lieu thereof the following:
8 1 581.2 PRIORITY.
8 2 Except as provided in this section, section 554.9322 shall
8 3 govern the priority of a veterinarian's lien that is effective
8 4 or perfected as provided in section 581.3.
8 5 1. A veterinarian's lien that is effective but not
8 6 perfected under section 581.3 shall have priority as provided
8 7 in section 554.9322.
8 8 2. A veterinarian's lien that is perfected under section
8 9 581.3 shall have priority over any conflicting security
8 10 interest or lien in livestock treated by a veterinarian,
8 11 regardless of when such security interest or lien is
8 12 perfected.
8 13 Sec. 17. NEW SECTION. 581.2A LIEN CREATED.
8 14 A veterinarian shall have an agricultural lien as provided
8 15 in section 554.9102 for the actual and reasonable value of
8 16 treating livestock, including the cost of any product used and
8 17 the actual and reasonable value of any professional service
8 18 rendered by the veterinarian. The veterinarian is a secured
8 19 party and the owner of the livestock is a debtor for purposes
8 20 of chapter 554, article 9. The lien applies to the livestock
8 21 treated by the veterinarian.
8 22 Sec. 18. Section 581.3, Code 2003, is amended by striking
8 23 the section and inserting in lieu thereof the following:
8 24 581.3 PERFECTING THE LIEN == FILING REQUIREMENTS.
8 25 Except as provided in this section, a financing statement
8 26 filed to perfect a veterinarian's lien shall be governed by
8 27 chapter 554, article 9, part 5, in the same manner as any
8 28 other financing statement.
8 29 1. The lien becomes effective at the time that the
8 30 veterinarian treats the livestock.
8 31 2. In order to perfect the lien, the veterinarian must
8 32 file a financing statement in the office of the secretary of
8 33 state as provided in section 554.9308 within sixty days after
8 34 the day that the veterinarian treats the livestock. The
8 35 financing statement shall meet the requirements of section
9 1 554.9502, subsection 1, and include all applicable information
9 2 described in section 554.9516. Filing a financing statement
9 3 as provided in this subsection satisfies all requirements for
9 4 perfection of an agricultural lien as provided in chapter 554,
9 5 article 9.
9 6 Sec. 19. Section 581.4, Code 2003, is amended to read as
9 7 follows:
9 8 581.4 ENFORCEMENT.
9 9 ~~The lienholder~~ A veterinarian may enforce ~~the a~~
9 10 ~~veterinarian's lien by a suit in equity in the manner provided~~
9 11 ~~for agricultural liens pursuant to the uniform commercial~~
9 12 ~~code, chapter 554, article 9, part 6.~~
9 13 Sec. 20. Section 602.8102, subsection 82, Code 2003, is
9 14 amended to read as follows:
9 15 82. Carry out duties relating to liens as provided in
9 16 chapters 249A, 570, 571, 572, 574, 580, 581, 582, and 584.
9 17 Sec. 21. Section 581.1, Code 2003, is repealed.
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9 21 _____
9 22 MARY E. KRAMER
9 23 President of the Senate
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9 25 _____
9 26 CHRISTOPHER C. RANTS
9 27 Speaker of the House
9 28

9 29 I hereby certify that this bill originated in the Senate and
9 30 is known as Senate File 379, Eightieth General Assembly.
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9 34 _____
9 35 MICHAEL E. MARSHALL
9 36 Secretary of the Senate

10 1 Approved _____, 2003
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10	5	THOMAS J. VILSACK
10	6	Governor
